

Funding Options Relating to Existing or New Taxes

<u>Category</u>	<u>Hypothetical Example</u>
1. Sales and Use Tax	
a. Expansion of base	Extend tax to certain selected consumer services.
b. Increase in rate	Increase tax on restaurant and tavern food and beverages by 0.5%.
c. Repeal exemption	Repeal exemption for candy and gum.
d. Add local option	Authorize 0.1% local option sales tax for public health.
e. Broaden use of existing option	Remove limitations on 0.3 county option sales tax for criminal justice and other purposes.
2. Property Tax	
a. Utilize excess state capacity	Impose new statewide levy of 7 cents per \$1000 assessed value.
3. Business & Occupation (B&O) Tax	
a. Increase in rate/surtax	Increase medical service provider rate from 1.5% to 1.75%.
b. Repeal tax preference	Remove preferential rate for resellers of prescription drugs.
4. Real Estate Excise Tax	
a. Increase in rate/surtax	Increase state rate to 1.5% from 1.28%.
b. Add local option	Authorize new local option REET of 0.25%.
5. State/Local Utility Tax	
a. Expansion of base	Apply state tax to cable and satellite television services.
b. Increase in rate/surtax	Add surtax of 10% to existing state tax rates on water, sewer.
c. Repeal exemption	Remove the state tax deduction allowed for the costs of processing sewerage.
d. New local authority	Authorize county utility taxes for first time.
6. Insurance Premiums Tax	
a. Surtax	Add surtax of 10% to existing tax rates on health insurance premiums.
b. Repeal exemption	Remove the exemption allowed to dentistry health care service contractors.
b. Modify collection admin	Advance the dates by which insurers must prepay their taxes.
7. Cigarette/Alcohol Taxes	
a. Increase in rate/surtax	Add surtax of 10% to existing rates.
8. New Taxes/Fees	
a. Wholesale soda can tax	Add new tax of five cents per 12 ounce can of soda.
b. Utility connection fee	Add new fee of \$1 per month per water service connection.